

BERLIN HAS RUSE TO USE AMERICA

Expects U. S. to Insist New
Proposals Be Studied
by Allies.

THEN ADVISE ON PAY
May Offer Ten Billion Gold
Marks to France to
Gain Delay.

REALIZES NEED OF HASTE

No Money Obtainable by Oc-
cupation of Ruhr or March
on Berlin.

By RAYMOND SWING.
Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau,
Berlin, April 8.

Although the German press con-
tinues to insist that Germany
is preparing a note to the Allies with
practical plans for the reconstruction
of the devastated areas of France, it is
acknowledged in well informed circles
here that the Berlin Government will
make new proposals to the Allies, al-
though they have not been formulated
by the Cabinet and will not be taken
up by the Ministry until after the re-
turn home of Dr. Walter Simons, the
Foreign Minister, from Switzerland.

Judging from expressions made fol-
lowing preliminary conferences over
the forthcoming German proposals,
they will be in the nature of substan-
tial offers and will concentrate on two
points: First, the providing of cash
for France, and second, the rebuilding
of the devastated regions.

Officially Germany is trying to avoid
the appearance of begging America's
mediation, but it is apparent that this
is only a political move.

It is anticipated here that America
will insist on the German proposals
being first studied by the Allies, and
that then Germany's capacity to pay
shall be determined by experts acting
with American collaborators.

Big Cash Bait to France.
An idea which is again being regarded
favorably here provides for the floating
of a loan by which Germany shall lay
cash on the French table and also gain a
breathing spell on further reparation
payments for three or four years. This
loan would be for 10,000,000,000 marks
gold and would bear a high rate of in-
terest—say, 6 or 7 per cent. This loan,
it is now conceded, could be tax free only
in Germany, and Dr. Simons is being
criticized here for having suggested dur-
ing the London reparations conference
that it also should be untaxable in allied
countries.

German holding outside
Germany and the hidden resources of
Germany herself, it is believed, may be
lured back into the national service by
such a loan. A prominent German in-
dustrial leader told THE NEW YORK
HERALD correspondent here that he be-
lieved one might reasonably expect that
5,000,000,000 marks gold might be sub-
scribed by Congress. An inducement
which it would be necessary to offer, he
said, would be that the loan be tax free
here, and also no questions must be
asked regarding where the money comes
from.

He declared that the present export
tax is intrinsically does not provide the
German as much as does its application,
adding that there was nothing now to
prevent a German exporter and a foreign
buyer avoiding the German Treasury
to the amount of incredible sums, simply
by agreeing to charge specious prices for
the goods sold. He asserted that unless
absolute control over exports were given
to the German Government and the
Government itself officially certifies to
the values appraised by the Allies, there
will be small likelihood of the German
Government indemnifying exporters to the
amount of the allied tax, and that with-
out such indemnification the German ex-
port business would be certain to be
ruined.

Want Guarantees From Allies.

Furthermore, another objection raised
by the Germans to the allied customs
tax is that no guarantee has been given
them that the sums raised by the tax
will be deducted from their annual repara-
tions payments. They fear that if
they consent to the export tax in prin-
ciple they may wake up some day to
find that the Allies have accreted the
tax revenue to some new assessment,
and demand not only the money raised
in this way but the full annuities
besides.

A concession being favored would
provide for giving security to the Allies
that reparation payments would be in-
creased commensurate with any increase
in German business. This is not a new
idea, but it was not included in the
German offer in London, although Dr.
Simons was authorized by the German
experts to propose it there.

It was authoritatively declared that
there was not a single German in a re-
sponsible position to-day who does not
recognize the fact that Germany must
find some way of providing France with
ready cash as quickly as is humanly
possible. The real trouble, one observer
here said, lies in the difficulty any
French Prime Minister will have in
dealing with the Germans and accepting
the unavoidable economic limitations of
the European situation without being
threatened with defeat for making neces-
sary concessions.

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Oh My!**

Each bottle of
these imported

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contains enough
concentrated stuff
to make a full quart
of delicious non-
alcoholic liqueur.
Prepared and bot-
tled at Lancy,
France. Thirty dif-
ferent flavors.

Mouquin
Restaurant and Wine Co.
134 Prince St., N. Y.
Telephone: Spring 6845.

BARON HAYASHI AGREES TO AUSTRALIAN VIEW OF PACT

Pleased With Statement That Anglo-Japanese Treaty
Must Satisfy America, as Japan Considers
United States Friendship Necessary.

LONDON, April 9 (Saturday).—The
London Times this morning prints an
interview with Baron Hayashi, the Ja-
panese Ambassador, concerning the state-
ment made by the Australian Premier,
Hughes, in a speech in the Australian
House Thursday to the effect that Aus-
tralia could not make an enemy of
America to secure the friendship of
Japan and that the Japanese treaty must
be renewed in modified form, but in a
manner satisfactory to America. Baron
Hayashi expressed great pleasure and
satisfaction over the speech of Mr.
Hughes.

FRANCE SAYS WILSON LEFT DOOR OPEN FOR YAP PARLEY

Continued from First Page.

without its consent. [This note
was sent by Secretary of State Hughes
to the British, French, Italian and Ja-
panese Governments, whose representa-
tives constitute the Supreme Council.]
France would be declared the enemy of
the newspaper, if an agreement could be
reached by such negotiations.

In official circles it was said to-night
that the statement of the Temps regard-
ing the island of Yap accurately repre-
sented the French Government's point
of view. The reply to the American
note has not been sent, according to the
Foreign Office, but it was stated it was
understood the note would follow the
line taken by the Temps.

The reservations of President Wilson,
made on April 21 and 22 and May 1,
1919, were mentioned, declares Temps,
in a recent French note on the subject
of Yap sent to the United States, and
this note was communicated to Japan.

The reservations, in question, contin-
ue the newspaper, were immediately
communicated to the Japanese repre-
sentative on the Supreme Council. There-
fore, it is held, there is no reason for
discussion between France and the
United States on that point.

So far as the German cables are con-
cerned it is taken for granted there can
be no difficulty in reaching a settle-
ment. France has agreed, asserts the
Temps, that the title and operation of
the West-New York cable shall be
vested in the United States. France
merely making the reservation that the
office in Brest shall be operated by the
French, a point which, it declares, has
encountered no opposition.

**SEEK FRESH SCHEME
TO INVOLVE AMERICA**
Germans Making Effort to
Interest United States.

By the Associated Press.
PARIS, April 8.—It was said semi-
officially here to-day that a fresh propo-
sition on reparations was expected from
Germany. Unconfirmed reports are in
circulation that the Germans are mak-
ing another effort to interest the United
States in the question by negotiations
between Karl Bergmann, German Under-
Secretary of the Treasury, and
Roland W. Brown, formerly American
unofficial representative with the Allied
Reparations Commission. Mr. Brown,
however, is now in Vienna, on his way
to Constantinople. It is understood.

Nothing is known in official circles
of a reported invitation to the Allies and
Germans to meet in Washington to dis-
cuss reparations and it is declared here
there is little likelihood of such pro-
cedure being favored by the Allies. The
present expectation is that the Allies will
issue an ultimatum to Germany on the
expiration of the time limit set for the

payment by Germany of 20,000,000,000
marks gold May 1.

The Allied Commission on Repara-
tions to-day heard the German delega-
tion here on the German viewpoint of
the maritime damages for which Ger-
many should pay.

The Germans maintained that Ger-
many should not be obliged to pay com-
pensation for merchant vessels sunk
while doing war work and under mili-
tary or naval orders. Cargoes lost
should not be paid for, they declared, if
of a military or naval nature. German
ships seized in allied ports or captured,
if used by the government selling them
and then sunk by the Germans, should
not be paid for, and no compensation
should be paid for losses due to mari-
time risks run for ships which disap-
peared unless Germany should be
proved responsible for their disappearance.

Germany admitting certain dis-
appearances of vessels being due to the
value of the cargoes and ships for
which Germany is liable to pay
should be estimated at the price paid by
the last owner, the German delegates as-
serted.

**CLEMENCEAU STRESSES
TREATY EXECUTION**

If Not Carried Out He Likens
It to a Leaf in the Wind.

By the Associated Press.
PARIS, April 8.—A letter from former
Premier Clemenceau to Capt. Andre
Tardieu, which forms the preface to M.
Tardieu's forthcoming book on peace,
will appear to-morrow in the Illustra-
tion. M. Clemenceau insists on the
necessity of eternal vigilance in carry-
ing out the Treaty of Versailles. "The
signed treaty is but a leaf in the wind
unless it is followed by execution," the
letter says.

M. Clemenceau recalls the Fourth of
July celebration in Paris during the
war. "As the American troops marched
past the statue of Washington," he says,
"Lloyd George said to me smilingly:
'Do you realize you have just made me
partake in the celebration of England's
greatest defeat.'"

"I replied, 'If national pride makes
you still regret that defeat I am sure
you have no regrets for this day.'"

MR. WALLACE SEES COBLENZ.

American Envoy Inspects Defenses
and Returns.

COBLENZ, April 8.—Hugh C. Wallace,
the American Ambassador to France,
who has been visiting Coblenz as the
guest of Brigadier-General Henry T. Al-
len, commander in chief of the Amer-
ican occupational forces, to-day visited
the artillery barracks and watched the
maneuvers.

Later Mr. Wallace went to the fort-
ress of Ehrenbreitstein and inspected the
machine gun outfit. He had lunch with
Paul Tirard, the French High Commis-
sioner in the Rhineland, and then left
for Paris.

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Other Extremists Are Deprived
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of the Bolshevik frontier officials stricter
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On arrival at the Russian border the
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Krassine Calls Propaganda
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The document, which was published in
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abroad to stir up revolution.

**GREEKS EVACUATE
BAGDAD RAIL POINT**

Abandon Junction South of
Eski-Shehr and Retire 40
Kilometers West.

LONDON, April 8.—The Greeks have
evacuated Akun-Karahissar, the junc-
tion point of the Bagdad Railway south
of Eski-Shehr, and retired to Tomis-
bunar, forty kilometers to the west,
says a Reuters despatch from Smyrna.

ANGORA, April 8.—The Bolsheviks have
warned the Turks that their aid in
the hostilities against the Greeks will
be conditional on the denunciation of
the Franco-Turkish treaty.

Mustapha Kemal Pasha, the Turkish
Nationalist leader, is declared to have
replied to a reported Franco-Italian
unofficial suggestion for a cessation of
hostilities that he will be willing to
such a move provided the Greeks aban-
don Thrace and Smyrna.

Kiazim Kara Bekir, commander of
Turkish Nationalist forces at Erzerum,
has arrived here as the head of a
cavalry division after a remarkable
march from Armenia. He was sum-
moned to the western front by the
Turkish National Government.

The Greeks launched their offensive
east of Smyrna and Brusa.

Isnik, a town thirty-two miles south-
west of Izmid and near the Sea of
Marmora, has been captured by Turk-
ish Nationalists, says an official state-
ment issued here. The Greeks defend-
ing the place fled, abandoning im-
portant supplies and leaving thousands
of prisoners. The ancient name of
Isnik was Nicaea. The first general
ecumenical council met at Nicaea in
325 A. D., on which occasion the Nicene
Creed was framed.

PARIS, April 8.—Turkish Nationalists
have resumed their advance in the
Brusa sector of Asia Minor, according
to despatches received at the French
Foreign Office. Fears are entertained
here for the safety of the entire Greek
expeditionary force. The magnitude of
the reverse suffered by the Greeks ap-
pears to be greater than first sup-
posed, judging from the latest infor-
mation. Six thousand wounded Greeks
are said to be in hospitals in Brusa.

LONDON, April 8.—The London Times
to-day prints a newspaper report from
Smyrna stating that owing to the fail-
ure of the Greek offensive in Asia
Minor, Gen. Papoulas, commanding the
Greek forces on the Smyrna front, has
been recalled and replaced by Gen.
Metaxas, chief assistant to the General
Staff of the Greek army.

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**GOUNARIS IS NAMED
PREMIER OF GREECE**

ATHENS, April 8.—Demetrios Gounaris,
Minister of War, has been named Pre-
mier to succeed M. Kalogeropoulos, who

has resigned. M. Theotokis, Minister of
Justice, will take the portfolio of Minis-
ter of War, while George P. Baltazis
becomes Minister of Foreign Affairs.

Reorganization of the Greek Ministry
was reported in semi-official Athens ad-
vice received in London April 2. It
was said that M. Gounaris had suc-
ceeded M. Kalogeropoulos at the head
of the Government, that Kalogeropoulos
had assumed the Ministry of Finance,
and that the conduct of foreign affairs
was in the hands of M. Baltazis.

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FRENCH CORSETS**

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French corsetieres this soft,
supple unboned corset (except
for the back lacing) has been
created. It imparts to the
figure the free ease and
grace of the uncorseted effect.
Done in all silk jersey cloth,
with a cleverly arranged but-
toned-on front section.

Also one-piece Step-in corsets—
hooked front and laced back—in
very short and extremely long styles.

CORSETS DEPT.—FOURTH FLOOR

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